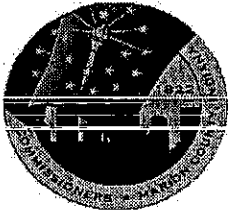


# Marion County Assessor

**Joseph P. O'Connor**



Tuesday, July 5, 2011

Mr. Brian Bailey, Commissioner  
Indiana Department of Local Government Finance  
200 N Senate Ave Ste N1058(B)  
Indianapolis, IN 46204

**RE: 2011 (payable in 2012) Annual Adjustment Process for Marion County, IN**

Dear Commissioner Bailey:

This letter is to serve as our narrative explanation for the Annual Adjustment process for the 2011 (payable in 2012) assessments in Marion County.

**Appeals**

To date we have finalized over 15,700 appeals for the assessment years 2006 through 2010.

**Field Work: annual permit work and 2012 General Reassessment site inspections**

As a result of our personnel assigned to performing field inspections, Marion County processed 3470 (1126 commercial and 2344 residential) site inspections in response to building permits issued. We have also performed 126,043 inspections and updated our CAMA system on 105,280 parcels as a result of the progress to date for the 2012 General Reassessment.

**Review and Validation of the 2010 Sales Database**

In accordance with the DLGF's February 15, 2010, memorandum, we used sales from January 1, 2010, through March 1, 2011, in the annual adjustment process. To ensure the accuracy of the sales used, we individually reviewed all of the paper copies of sales disclosures submitted during that period to confirm that they were accurately data-entered in our electronic file. The sales were audited by a dedicated staff of sales disclosure auditors reviewing on MIBOR and aerial photography before being submitted to the field personnel to perform inspections within 60 days of the sales date, per statute. For those sales that were deemed invalid for trending purposes, an explanation can be found in the sales disclosure file. Where a sale was subsequently excluded during the trending process, we have provided a spreadsheet with an explanation showing why the sale was inappropriate for use.

### **Review of Income Producing Properties**

Our commercial assessment team has developed an income capitalization model to be used for multi-family residential properties. As part of processing hundreds of appeals of the 2006 (payable in 2007) cycle for these apartments, this model was used to arrive at a settlement. Any information gleaned in the appeals process was then used to develop market assumptions we used for the 2011 (payable in 2012) assessments. Market data resources were also consulted to confirm our income approach information. All multi-unit apartments were reviewed using all three assessment approaches, and the lowest value was applied in accordance with IND. CODE § 6-1.1-4-29.

### **General Data Cleanup**

Our GIS team has been working diligently to revise our base map to make our parcel delineations more accurate. Data errors and inconsistencies in our assessment data continue to be identified and corrected. We continued to revise improperly identified use codes. We have encouraged taxpayers to combine contiguous parcels to take advantage of the supplemental homestead deduction, thus eliminating unnecessary parcel delineations. More than 3,000 parcels have been combined and priced for the 2011 pay 2012 tax year.

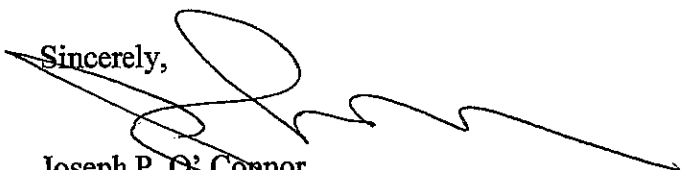
### **Calculation of New Neighborhood Factors**

We used our PVD computer system to perform initial ratio studies at the neighborhood and township levels. This initial calculation identified areas where neighborhood delineations needed to be reviewed. Where a review of a parcel's physical characteristics was warranted, aerial photography, Pictometry, or Metropolitan Indianapolis Board of Realtors (MIBOR) listing information were reviewed to be certain physical data was correct. Where that information was inconclusive, field inspections were conducted. After these changes were made, we performed the ratio studies again. In many neighborhoods, there were an inadequate number of sales to rely on for proper trending. In these cases, we turned to other market trend sources, such as MIBOR analyses, CoStar's sale and lease data, and our own analysis of trends in Marion County's sales, to determine whether a change in the trending factor was appropriate. The ratio studies were again performed after all the changes outlined above had been made. The results of the final ratio studies achieved statistical measures within the IAAO limits.

The ratio studies and the Marion County workbook have been made available to you on an FTP site. We will let you know the Login and password by separate letter.

I hope these results meet with your approval. If there are any problems, or if you have any questions about our process, please let me know.

Sincerely,

  
Joseph P. O'Connor